

Message Text

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ACTION AF-18

INFO OCT-01 ISO-00 EB-11 COME-00 AID-20 IGA-02 XMB-07

EUR-25 CIAE-00 INR-10 NSAE-00 RSC-01 L-03 DRC-01

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R 180954Z MAY 74

FM AMEMBASSY ABIDJAN

TO SECSTATE WASHDC 8510

LIMITED OFFICIAL USE ABIDJAN 3909

E.O. 11652: NA

TAGS: EGEN, EFIN IV

SUBJECT: TAABO DAM

DEPARTMENT PASS EXIM, USDOC

1. MAY 16, KAISER REPRESENTATIVES CALLED TO BRIEF ME ON PROGRESS OF TAABO DAM PROJECT. THEY INDICATED THEY PLEASED WITH PROGRESS TO DATE, PARTICULARLY GOIC COOPERATION AND LACK--SO FAR--OF ANY FRENCH BLOCKING TACTICS. KAISER EXPECTS TO CALL FOR BIDS ON CIVIL ENGINEERING PORTION (APPROXIMATELY DOLS 60 MILLION) OF PROJECT BY NOVEMBER 1974. GOIC SUGGESTED, AND KAISER READILY AGREED, THAT KAISER DRAW UP A LIST OF PREQUALIFIED BIDDERS; LIST WOULD INCLUDE AMERICAN CONSTRUCTION COMPANIES. QUALIFIED BIDDERS WILL HAVE 3 MONTHS TO PRESENT PROPOSALS AND KAISER EXPECTS IT WILL NEED AN ADDITIONAL 3 MONTHS TO EXAMINE BIDS AND MAKE RECOMMENDATIONS TO GOIC REGARDING CONTRACT AWARD. THUS, CONTRACT LIKELY TO BE AWARDED JUNE/JULY 1975.

2. KAISER REP POINTED OUT THAT LEAD TIME FOR DELIVERY OF CONSTRUCTION EQUIPMENT, E.G., TRACTORS, SCRAPERS, IS NOW 18 MONTHS. THEREFORE, KAISER RECOMMENDED TO GOIC THAT IT PLACE ORDERS NOW FOR APPROXIMATELY DOLS 15 MILLION WORTH OF U.S. CONSTRUCTION EQUIPMENT USING EXIM CREDIT TO FINANCE PURCHASES;
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BIDDER OBTAINING CIVIL CONSTRUCTION CONTRACT WOULD BE REQUIRED

TO USE THIS EQUIPMENT. PROBLEM, ACCORDING TO KAISER, IS THAT GOIC FEARS EXIM WILL NOT AUTHORIZE COMMITMENT OF EXIM CREDIT UNLESS GOIC CAN DEMONSTRATE THAT TOTAL FINANCING FOR PROJECT HAS BEEN OBTAINED. HOWEVER, SINCE GOIC WISHES TO AWARD CIVIL CONSTRUCTION CONTRACT AND PERMANENT EQUIPMENT CONTRACTS VIA INTERNATIONAL BIDDING, TOTAL FINANCIAL PACKAGE NOT YET COMPLETE SINCE SUCCESSFUL BIDDERS WILL ARRANGE REMAINING FINANCING. THUS, GOIC HAS YET TO SECURE DIFFERENCE BETWEEN DOLS 120 MILLION TOTAL PROJECT COST AND DOLS 80 MILLION FNC/EXIM/GOIC FINANCING ALREADY OBTAINED. KAISER REP RECALLED THAT DURING NEGOTIATIONS FOR KOSSOU DAM FINANCING, EXIM, BEFORE AGREEING TO MAKE LOAN, REQUIRED THAT GOIC ARRANGE FOR COMPLETE FINANCING. THUS, KAISER ENTERED INTO PARTNERSHIP WITH IMPREGELIO WHICH PROVIDED REMAINING FINANCING.

3. KAISER REP ASKED WHETHER EMBASSY COULD "DISCREETLY" (SINCE KAISER WOULD PREFER GOIC NOT KNOW THAT EMBASSY INFORMED REGARDING CONSTRUCTION EQUIPMENT QUESTION) ASK EXIM WHETHER GOIC COULD PLACE ORDERS NOW FOR CONSTRUCTION EQUIPMENT COMMITTING EXIM CREDIT BEFORE REPEAT BEFORE GOIC HAS AWARDED CIVIL CONSTRUCTION CONTRACT AND SECURED REMAINING FINANCING. HOVINE, DIRECTOR OF CAISSE AUTONOME D'AMORTISSEMENT AND CHIEF GOIC FINANCIAL NEGOTIATOR, MAY BE APPROACHING EXIM SHORTLY TO DISCUSS THIS ISSUE.

4. COMMENT: UNLESS LEGAL REQUIREMENTS SPECIFICALLY PRECLUDE EXIM FROM ACQUIESCING TO PROPOSED TRANSACTION, I RECOMMEND THAT EXIM RESPOND FAVORABLY TO GOIC REQUEST SINCE IT ASSURES THAT AT LEAST DOLS 15 MILLION OF U.S. EQUIPMENT WILL BE PURCHASED AND THAT PROJECT WILL NOT BE DELAYED DUE TO LAG IN DELIVERY OF CONSTRUCTION EQUIPMENT.
SMITH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, CONSTRUCTION EQUIPMENT, ECONOMIC ASSISTANCE, DAMS, PROGRAMS (PROJECTS), CIVIL ENGINEERING, CONTRACTS, PROPOSALS (BID), DEVELOPMENT LOANS
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Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
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Disposition Reason:
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30 JUN 2005

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